Indebtedness of farmers in Karnataka

1057. SHRI B.K. HARIPRASAD: Will the Minister of AGRICULTURE be pleased to state:

(a) whether according to the farmers hosehold survey conducted by the National Sample Survey Organisation, out of the estimated 43.4 million indebted farmer households, Karnataka accounts for 2.6 million

(b) whether the majority of the indebted farmer households in Karnataka belong to OBCs, SCs, and STs, identified as small and marginal farmer households; and

(c) the steps being taken by Government to liberate the small farmers from debt-trap?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) According to the Survey Report No. 498 on "Indebtedness of Farmer Households" released by National Sample Survey Orgnisation in May 2005, out of an estimated number of 43.4 million indebted farmer households in the country, Karnataka accounts for 2.5 million.

(b) Yes, Sir.

(c) Details are enclosed as statement.

Statement

Indebtedness of Farmers in Karnataka

To reduce the dependence of farmers on the private moneylenders for meeting their credit requirements and for provide relief to the indebted farmers, the Government has taken several measures and has advised the banks to:—

(i) To increase the agricultural credit flow at the rate of 30% per year.

(ii) To restructure the outstanding debt of the farmers under the following heads in accordance with the guidelines issued by Reserve bank of India (RBI) National Bank for Agriculture & Rural Development (NABARD);

Farmers in distress—Rescheduling/restructuring of the outstanding loan of the farmers as on 31st March, 2004 in the districts declared as calamity-affected by the State Government. Rescheduled loan shall be repayable over a period of five years, at current interest rates, including an initial moratorium of two years.

Farmers in arrears—Loans in default of farmers who have become ineligible for fresh credit as their earlier debts have been categorized as substandard or doubtful shall be rescheduled as per the guidelines so that such farmers become eligible for fresh credit.

On restructuring as above, the farmers will become eligible for fresh loans.

(iii) To grant a one-time settlement (OTS) including partial waiver of interest or loan to the small and marginal farmers who have been declared as defaulters and have become ineligible for fresh credit. Banks have also been advised to review cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

(iv) In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders (e.g.private moneylenders). Banks have been permitted to advance loans to such farmers for redeeming their debt from private moneylender and for providing them relief from indebtedness.

(v) All the public sector banks have been advised to reduce their lending rate for agriculture to a single digit rate of not more than 9% per annum on crop loans upto a Ceiling of Rs. 50,000/-. This rate will benefit most of the crop loan account holders and will cover almost all the small and marginal farmers.

(vi) To waive margin/security requirements for agricultural loans up to Rs. 50,000 and agri-business and agri-clinics up to Rs. 5 lakh.

Loss due to reduction in Kharif crop sowing

1058. SHRIMATI AMBIKA SONI:
SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that 59 lakh hectares of land was not sown during the kharif crop this year and if so, how much loss has been caused due to less sowing; and

(b) the steps taken to overcome the losses due to less sowing?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) and (b) As per the reports available with the Corp Weather Watch Group under